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CONTACT: Laura Dlugacz 202-572-6231; ldlugacz@dcgpr.com

New Study: 1 Million Jobs Lost under McCain-Lieberman Carbon Cap

Study Also Reports: NCEP Measure will Cost U.S. Taxpayers \$27 Billion per year

WASHINGTON – Over 1 million jobs would be lost over the next fifteen years under the proposed McCain-Lieberman carbon cap proposal according to a study sponsored by United for Jobs and the American Council for Capital Formation that was released today.

The new study assessed the economic cost of the updated language in the McCain-Lieberman legislation and showed that 1,306,000 jobs would be lost by 2020 under the McCain-Lieberman emission cap proposal.

Among the key findings of the study:

- \$810 annual costs to households once fully implemented;
- Gasoline increases of up to 55 cents per gallon;
- 20% increase in electricity prices by 2020; and
- 47% increase in natural gas prices.

Senators McCain and Lieberman recently revised their bill to include “innovation” provisions that would subsidize the development and deployment of new nuclear and renewable energy technologies. The report found that these subsidies will only add to the total economic cost of the legislation.

The study also looked at a proposal recommended by the non-government sanctioned National Commission on Energy Policy (NCEP). The NCEP proposal would have the same effect as an energy tax on \$26 per ton of carbon. The annual U.S. cost would be \$27 billion with emission reductions barely different from current baseline emissions. In fact, the NCEP proposal would produce smaller emissions reductions than the goal of the President’s ongoing voluntary program while creating unnecessary new bureaucracy, new vested interests, and large tax-like wealth transfers. Senator Jeff Bingaman (D-NM) is currently considering offering the NCEP plan as an amendment to the energy bill.

“America’s economy will only grow and thrive if small businesses have abundant and affordable energy supplies. As the Senate moves forward on advancing energy legislation they should reject any proposals such as McCain-Lieberman or NCEP that increase energy prices,” said Karen Kerrigan, President of the Small Business & Entrepreneurship Council.

The study was commissioned from CRA International by United for Jobs and the American Council for Capital Formation. **United for Jobs** is a project of the National Black Chamber of Commerce, Small Business & Entrepreneurship Council and National Association of Neighborhoods. The full study can be accessed online at www.united4jobs.com.

For interviews contact Laura Dlugacz at 202-572-6231 or ldlugacz@dcgpr.com .

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